

AMENDED IN SENATE MARCH 31, 1997

SENATE BILL

No. 780

Introduced by Senator Kelley

February 26, 1997

~~An act to amend Sections 6980.81, 7571, 7582.13, 7583.20, 7583.22, 7583.32, 7588.2, 7593.11, 7596, 7596.7, 7598.14, 7598.17, and 7599.72 of, to amend, repeal, and add Sections 6980.79, 7511, 7570, 7588, and 7599.70 of, to add Section 7511.1 to, to repeal Sections 6980.84 and 7599.75 of, and to repeal and add Sections 7558 and 7586 of, the Business and Professions Code, relating to security services. An act to amend Sections 146.5, 6980.81, 7571, 7582.13, 7583.20, 7583.22, 7583.32, 7588.2, 7593.11, 7596, 7596.7, 7598.14, 7598.17, 7599.72, 9810, 9830.5, 9832, 9832.5, 9847.5, 9849, 9851, 9853, 9855.2, 9855.3, 9855.9, 9860, 9862.5, 9863, 9873, 19008, 19010, 19080, 19123.4, and 19208 of, to amend, repeal, and add Sections 6980.79, 7511, 7570, 7588, and 7599.70 of, to add Sections 7511.1 and 9814.5 to, to repeal Sections 6980.84, 7599.75, and 9854 of, to add and repeal Section 9812.5 of, and to repeal and add Sections 7558 and 7586 of, the Business and Professions Code, and to amend Sections 1791 and 1794.4 of the Civil Code, relating to consumer affairs, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 780, as amended, Kelley. ~~Security services~~ Consumer affairs.

(1) Existing law provides for the existence of the Bureau of Security and Investigative Services within the Department of Consumer Affairs, under the supervision and control of the

Director of Consumer Affairs. The director is charged with administering the provisions governing locksmiths, repossessors, private investigators, private patrol operators, alarm company operators, and alarm agents. The provisions set fees for various services, including license applications, renewals, branch office registrations, initial registration, and fingerprinting.

This bill would instead provide that as of July 1, 1998, these provisions establish the maximum fees that may be charged for these services.

(2) Existing law provides for the existence of the Private Security Services Fund and the Private Investigator Fund in the State Treasury. All revenues generated by provisions governing locksmiths, repossessors, private patrol operators, and alarm company operators and alarm agents are paid into the Private Security Services. All revenues generated by provisions governing private investigators are paid into the Private Investigator Fund.

This bill would transfer all revenue and encumbrances in these funds as of June 30, 1998, to the Private Security and Investigative Services Fund. As of July 1, 1998, the Bureau of Security and Investigative Services would be required to report each month to the Controller the amount and source of all revenue received, and to pay the entire amount into the Private Security and Investigative Services Fund.

(3) Existing law provides that a license as a private investigator, private patrol operator, alarm company operator, alarm agent, branch office certificate, pocket card, and all registrations issued under the Private Security Services Act, must be placed on a cyclical renewal, expiring 2 years from the date of issuance or assigned renewal date, according to a specified manner of establishing renewal groups.

This bill would repeal the provisions establishing renewal groups, and would provide that for a private investigator, security guard, private patrol operator, alarm company operator, or alarm agent issued a license who is also issued or renews a firearms qualification card, the license or registration must be placed on a renewal cycle so that the license or registration expires on the same date as the firearms qualification card.



(4) The Private Security Services Act and the Alarm Company Act provide for the issuance of pocket cards to persons licensed or registered under the acts. Under existing law, the pocket cards are issued as evidence of the licensure or registration of the holder of the card.

This bill would require the pocket cards to be made of a durable material, and would permit the bureau to charge a fee sufficient to reimburse costs of furnishing the pocket card. The bill would also require every person to display a valid pocket card while engaged in any activity for which registration or licensure is required, and would permit the pocket card to serve as a firearms qualification card if so indicated on the face of the card. Because a violation of the provisions governing private patrol operators, alarm company operators, and alarm agents is a misdemeanor, this bill would impose a state-mandated local program by expanding the scope of an existing crime.

The bill would also make clarifying, related and conforming changes.

(5) *The Electronic and Appliance Repair Dealer Registration Law provides for registration and regulation of service dealers and service contractors by the Bureau of Electronic and Appliance Repair in the Department of Consumer Affairs.*

Provisions of existing law regulating service contractors will be repealed on January 1, 1998. Among other things, these provisions require persons acting as service contractors to be registered, and provide for various criminal penalties for a violation of those provisions.

This bill would extend the operation of these provisions until January 1, 2003. Because the criminal penalties would be extended, the bill would impose a state-mandated local program by expanding the scope of a crime.

The bill would also authorize the Director of Consumer Affairs to adopt regulations relating to service contractors, would require the director to gather evidence of violations by service contractors, and would make related changes.

(6) *Existing law provides that a registration under the Electronic and Appliance Repair Dealer Registration Law that is delinquent more than 2 years may not be renewed.*

Existing law also requires the bureau to design and approve a sign containing certain consumer information to be placed in all electronic and appliance repair locations operated by a service dealer.

This bill would delete both of these provisions and make other related changes.

(7) The Electronic and Appliance Dealer Registration Law specifies various maximum registration fees applicable to persons required to register with the board. The actual fees are set by the Director of Consumer Affairs, and are paid into the State Treasury to the credit of the Electronic and Appliance Repair Fund, which is a continuously appropriated fund.

This bill would increase the maximum amounts at which these fees may be set by the director, as specified, thereby making an appropriation.

(8) The Home Furnishings and Thermal Insulation Act provides for the licensing and regulation of certain persons in the home furnishings and thermal insulation businesses by the Bureau of Home Furnishings and Thermal Insulation in the Department of Consumer Affairs, as specified. Violations of the act are punishable as misdemeanors.

The bill would include persons who rebuild bedding within the definition of “bedding renovator,” thereby expanding the scope of the act, and would also prohibit the rebuilding of an article of upholstered furniture or bedding without specified labeling, thereby changing the definition of a crime. It would also make other related changes.

(9) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. *Section 146.5 of the Business and Professions Code is amended to read:*

146.5. (a) Notwithstanding any other provision of law, a violation of any code section listed in subdivision (c) is an infraction subject to the procedures described in Sections 19.6 and 19.7 of the Penal Code when either of the following occur:

(1) A complaint or a written notice to appear in court pursuant to Chapter 5c (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code is filed in court charging the offense as an infraction unless the defendant, at the time he or she is arraigned, after being advised of his or her rights, elects to have the case proceed as a misdemeanor.

(2) The court, with the consent of the defendant and the prosecution, determines that the offense is an infraction in which event the case shall proceed as if the defendant has been arraigned on an infraction complaint.

(b) Subdivision (a) does not apply to a violation of the code sections listed in subdivision (c) if the defendant has had his or her license, registration, or certificate previously revoked or suspended.

(c) The following sections require registration, licensure, certification, or other authorization in order to engage in certain businesses or professions regulated by this code:

(1) Section 2630.

(2) Section 2903.

(3) Sections 3760 and 3761.

(4) Section 4825.

(5) Section 4980.

(6) Section 4996.

(7) Section 5536.

(8) Section 6704.

(9) Section 6980.10.

(10) Section 7317.

(11) Section 7502 or 7592.

(12) Section 7617 or 7641.

1 (13) Subdivision (a) of Section 7872.

2 (14) Section 8016.

3 (15) Section 8505.

4 (16) Section 8725.

5 (17) Section 9681.

6 (18) Section 9840.

7 (19) Section 9855.1.

8 (20) Section 9884.6.

9 (21) Subdivision (c) of Section 9891.24.

10 (22) Section 19049.

11 (d) Notwithstanding any other provision of law, a
12 violation of any of the sections listed in subdivision (c),
13 which is an infraction, is punishable by a fine of not less
14 than two hundred fifty dollars (\$250) and not more than
15 one thousand dollars (\$1,000). No portion of the
16 minimum fine may be suspended by the court unless as
17 a condition of that suspension the defendant is required
18 to submit proof of a current valid license, registration, or
19 certificate for the profession or vocation ~~which~~ *that* was
20 the basis for his or her conviction.

21 This section shall remain in effect only until January 1,
22 ~~1998~~ 2003, and as of that date is repealed, unless a later
23 enacted statute, ~~which~~ *that* is enacted before January 1,
24 ~~1998~~ 2003, deletes or extends that date.

25 *SEC. 2.* Section 6980.79 of the Business and
26 Professions Code is amended to read:

27 6980.79. The fees prescribed by this chapter are those
28 fixed in the following schedule:

29 (a) A locksmith license application fee of thirty dollars
30 (\$30).

31 (b) An original license and renewal fee for a locksmith
32 license of forty-five dollars (\$45).

33 (c) A branch office registration fee and branch office
34 renewal fee of thirty-five dollars (\$35).

35 (d) Notwithstanding Section 163.5, the reinstatement
36 fee as required by Section 6980.28 is the amount equal to
37 the renewal fee plus a penalty of 50 percent thereof.

38 (e) An initial registration fee for an employee of
39 twenty dollars (\$20).

(f) A registration renewal fee for an employee performing the services of a locksmith of twenty dollars (\$20).

(g) The fingerprint processing fee is that amount charged the bureau by the Department of Justice.

(h) All applicants seeking a license pursuant to this chapter shall also remit to the bureau the fingerprint fee that is charged to the bureau by the Department of Justice.

(i) The fee for a “Certificate of Licensure” of twenty dollars (\$20).

(j) A delinquency fee is the amount equal to the renewal fee plus a penalty of 50 percent thereof.

This section is repealed July 1, 1998.

~~SEC. 2.~~

SEC. 3. Section 6980.79 is added to the Business and Professions Code, to read:

6980.79. The fees prescribed by this chapter are those fixed in the following schedule:

(a) A locksmith license application fee may not exceed thirty dollars (\$30).

(b) An original license and renewal fee for a locksmith license may not exceed forty-five dollars (\$45).

(c) A branch office registration fee and branch office renewal fee may not exceed thirty-five dollars (\$35).

(d) Notwithstanding Section 163.5, the reinstatement fee as required by Section 6980.28 is the amount equal to the renewal fee plus a penalty of 50 percent thereof.

(e) An initial registration fee for an employee may not exceed twenty dollars (\$20).

(f) A registration renewal fee for an employee performing the services of a locksmith may not exceed twenty dollars (\$20).

(g) The fingerprint processing fee is that amount charged the bureau by the Department of Justice.

(h) All applicants seeking a license pursuant to this chapter shall also remit to the bureau the fingerprint fee that is charged to the bureau by the Department of Justice.

1 (i) The fee for a “Certificate of Licensure” may not
2 exceed twenty dollars (\$20).

3 (j) A delinquency fee is the amount equal to the
4 renewal fee plus a penalty of 50 percent thereof.

5 This section shall become operative July 1, 1998.

6 ~~SEC. 3.~~

7 *SEC. 4.* Section 6980.81 of the Business and
8 Professions Code is amended to read:

9 6980.81. (a) The bureau shall report each month to
10 the Controller the amount and source of all revenue
11 received pursuant to this chapter and shall pay the entire
12 amount thereof into the State Treasury for credit to the
13 Private Security Services Fund. Effective July 1, 1998, the
14 bureau shall report each month to the Controller the
15 amount and source of all revenue received pursuant to
16 this chapter and shall pay the entire amount into the State
17 Treasury for credit to the Private Security and
18 Investigative Services Fund. All revenue and
19 encumbrances to the Private Security Services Fund as of
20 June 30, 1998, shall be transferred to the Private Security
21 and Investigative Services Fund.

22 (b) All moneys derived from the operation of this
23 chapter are hereby continuously appropriated to the
24 bureau for the purposes of this chapter.

25 ~~SEC. 4.~~

26 *SEC. 5.* Section 6980.84 of the Business and
27 Professions Code is repealed.

28 ~~SEC. 5.~~

29 *SEC. 6.* Section 7511 of the Business and Professions
30 Code, as amended by Section 35 of Chapter 505 of the
31 Statutes of 1995, is amended to read:

32 7511. Effective January 1, 1995, the bureau shall
33 establish and assess fees and penalties for licensure and
34 registration as displayed in this section. The fees
35 prescribed by this chapter are as follows:

36 (a) The application fee for an original repossession
37 agency license is eight hundred twenty-five dollars
38 (\$825).

39 (b) The application fee for an original qualification
40 certificate is three hundred twenty-five dollars (\$325).

1 (c) The renewal fee for a repossession agency license
2 is four hundred seventy-five dollars (\$475) annually.

3 (d) The renewal fee for a license as a qualified
4 certificate holder is two hundred twenty-five dollars
5 (\$225) annually.

6 (e) Notwithstanding Section 163.5, the reinstatement
7 fee for a repossession agency license required pursuant to
8 Sections 7503.11 and 7505.3 is the amount equal to the
9 renewal fee plus a penalty of 50 percent thereof.

10 (f) Notwithstanding Section 163.5, the reinstatement
11 fee for a license as a qualified certificate holder required
12 pursuant to Sections 7504.7 and 7503.11 is the amount
13 equal to the renewal fee plus a penalty of 50 percent
14 thereof.

15 (g) A fee for reexamination of an applicant for a
16 qualified manager is thirty dollars (\$30).

17 (h) An initial registrant registration fee is seventy-five
18 dollars (\$75), a registrant reregistration fee is thirty
19 dollars (\$30), and a reposessor employee annual renewal
20 fee is thirty dollars (\$30) per registration.
21 Notwithstanding Section 163.5 and this subdivision, the
22 reregistration fee for a registrant whose registration
23 expired more than one year prior to the filing of the
24 application for reregistration shall be seventy-five dollars
25 (\$75).

26 (i) The delinquency fee is 50 percent of the renewal
27 fee in effect on the date of expiration, but not less than
28 twenty-five dollars (\$25).

29 (j) The fingerprint processing fee is that amount
30 charged the bureau by the Department of Justice.

31 (k) The director shall furnish one copy of any issue or
32 edition of the licensing law and rules and regulations to
33 any applicant or licensee without charge. The director
34 shall charge and collect a fee of ten dollars (\$10) plus sales
35 tax for each additional copy which may be furnished on
36 request to any applicant or licensee, and for each copy
37 furnished on request to any other person.

38 (l) The processing fee for the assignment of a
39 repossession agency license pursuant to Section 7503.9 is
40 one hundred twenty-five dollars (\$125).

1 This section shall become operative January 1, 1995,
2 and shall remain in effect only until July 1, 1998, and as of
3 that date is repealed.

4 ~~SEC. 6.~~

5 SEC. 7. Section 7511 of the Business and Professions
6 Code, as amended by Section 36 of Chapter 505 of the
7 Statutes of 1995, is repealed.

8 ~~SEC. 7.~~

9 SEC. 8. Section 7511 is added to the Business and
10 Professions Code, to read:

11 7511. Effective July 1, 1998, the bureau shall establish
12 and assess fees and penalties for licensure and registration
13 as displayed in this section. The fees prescribed by this
14 chapter are as follows:

15 (a) The application fee for an original repossession
16 agency license may not exceed eight hundred
17 twenty-five dollars (\$825).

18 (b) The application fee for an original qualification
19 certificate may not exceed three hundred twenty-five
20 dollars (\$325).

21 (c) The renewal fee for a repossession agency license
22 may not exceed four hundred seventy-five dollars (\$475)
23 annually.

24 (d) The renewal fee for a license as a qualified
25 certificate holder may not exceed two hundred
26 twenty-five dollars (\$225) annually.

27 (e) Notwithstanding Section 163.5, the reinstatement
28 fee for a repossession agency license required pursuant to
29 Sections 7503.11 and 7505.3 is the amount equal to the
30 renewal fee plus a penalty of 50 percent thereof.

31 (f) Notwithstanding Section 163.5, the reinstatement
32 fee for a license as a qualified certificate holder required
33 pursuant to Sections 7504.7 and 7503.11 is the amount
34 equal to the renewal fee plus a penalty of 50 percent
35 thereof.

36 (g) A fee for reexamination of an applicant for a
37 qualified manager may not exceed thirty dollars (\$30).

38 (h) An initial registrant registration fee may not
39 exceed seventy-five dollars (\$75), a registrant
40 reregistration fee may not exceed thirty dollars (\$30), and

1 a reposessor employee annual renewal fee may not
2 exceed thirty dollars (\$30) per registration.
3 Notwithstanding Section 163.5 and this subdivision, the
4 reregistration fee for a registrant whose registration
5 expired more than one year prior to the filing of the
6 application for reregistration may not exceed
7 seventy-five dollars (\$75).

8 (i) The delinquency fee is 50 percent of the renewal
9 fee in effect on the date of expiration, but not less than
10 twenty-five dollars (\$25).

11 (j) The fingerprint processing fee is that amount
12 charged the bureau by the Department of Justice.

13 (k) The director shall furnish one copy of any issue or
14 edition of the licensing law and rules and regulations to
15 any applicant or licensee without charge. The director
16 shall charge and collect a fee not to exceed ten dollars
17 (\$10) plus sales tax for each additional copy which may be
18 furnished on request to any applicant or licensee, and for
19 each copy furnished on request to any other person.

20 (l) The processing fee for the assignment of a
21 repossession agency license pursuant to Section 7503.9
22 may not exceed one hundred twenty-five dollars (\$125).

23 This section shall become operative July 1, 1998.

24 ~~SEC. 8.~~

25 *SEC. 9.* Section 7511.1 is added to the Business and
26 Professions Code, to read:

27 7511.1. All fees, except any sales tax, received
28 pursuant to this chapter shall be deposited in the Private
29 Security Services Fund. Effective July 1, 1998, the bureau
30 shall report each month to the Controller the amount and
31 source of all revenue received pursuant to this chapter
32 and shall pay the entire amount into the State Treasury
33 for credit to the Private Security and Investigative
34 Services Fund. All revenue and encumbrances to the
35 Private Security Services Fund as of June 30, 1998, shall be
36 transferred to the Private Security and Investigative
37 Services Fund.

38 ~~SEC. 9.~~

39 *SEC. 10.* Section 7558 of the Business and Professions
40 Code is repealed.

1 ~~SEC. 10.~~

2 *SEC. 11.* Section 7558 is added to the Business and
3 Professions Code, to read:

4 7558. A private investigator license, branch office
5 certificate, and pocket card issued under this chapter
6 expires two years following the date of issuance or on the
7 assigned renewal date. Every private investigator issued
8 a license under this chapter that expires on or after
9 January 1, 1997, and who is also issued or renews a firearms
10 qualification card on or after January 1, 1997, shall be
11 placed on a cyclical renewal so that the private
12 investigator license or pocket card expires on the
13 expiration date of the firearms qualification card.
14 Notwithstanding any other provision of law, the bureau
15 is authorized to extend or shorten the first term of
16 licensure following January 1, 1997, and to prorate the
17 required license fee in order to implement this cyclical
18 renewal.

19 ~~SEC. 11.~~

20 *SEC. 12.* The first Section 7570 of the Business and
21 Professions Code, as added by Section 4 of Chapter 1285
22 of the Statutes of 1994, is amended to read:

23 7570. The fees prescribed by this chapter are as
24 follows:

25 (a) The application and examination fee for an
26 original license is fifty dollars (\$50).

27 (b) The application fee for an original branch office
28 certificate is thirty dollars (\$30).

29 (c) The fee for an original license for a private
30 investigator is one hundred seventy-five dollars (\$175).

31 (d) The renewal fee is as follows:

32 (1) For a license as a private investigator, one hundred
33 twenty-five dollars (\$125).

34 (2) For a combination license as a private investigator
35 and private patrol operator under Chapter 11.5
36 (commencing with Section 7580), AC or DC prefix, six
37 hundred dollars (\$600).

38 (3) For a branch office certificate for a private
39 investigator, thirty dollars (\$30), and for a combination
40 private investigator and private patrol operator under

1 Chapter 11.5 (commencing with Section 7580), forty
2 dollars (\$40).

3 (e) The delinquency fee is 50 percent of the renewal
4 fee in effect on the date of expiration.

5 (f) A reinstatement fee is equal to the amount of the
6 renewal fee plus the regular delinquency fee.

7 (g) The fee for reexamination of an applicant or his or
8 her manager is fifteen dollars (\$15).

9 (h) This section shall remain in effect only until July 1,
10 1998, and as of that date is repealed.

11 ~~SEC. 12.~~

12 *SEC. 13.* The second Section 7570 of the Business and
13 Professions Code, as amended by Section 4 of Chapter
14 1285 of the Statutes of 1994, is repealed.

15 ~~SEC. 13.~~

16 *SEC. 14.* Section 7570 is added to the Business and
17 Professions Code, to read:

18 7570. The fees prescribed by this chapter are as
19 follows:

20 (a) The application and examination fee for an
21 original license may not exceed fifty dollars (\$50).

22 (b) The application fee for an original branch office
23 certificate may not exceed thirty dollars (\$30).

24 (c) The fee for an original license for a private
25 investigator may not exceed one hundred seventy-five
26 dollars (\$175).

27 (d) The renewal fee is as follows:

28 (1) For a license as a private investigator, the fee may
29 not exceed one hundred twenty-five dollars (\$125).

30 (2) For a combination license as a private investigator
31 and private patrol operator under Chapter 11.5
32 (commencing with Section 7580), AC or DC prefix, the
33 fee may not exceed six hundred dollars (\$600).

34 (3) For a branch office certificate for a private
35 investigator, the fee may not exceed thirty dollars (\$30),
36 and for a combination private investigator and private
37 patrol operator under Chapter 11.5 (commencing with
38 Section 7580), the fee may not exceed forty dollars (\$40).

39 (e) The delinquency fee is 50 percent of the renewal
40 fee in effect on the date of expiration.

1 (f) A reinstatement fee is equal to the amount of the
2 renewal fee plus the regular delinquency fee.

3 (g) The fee for reexamination of an applicant or his or
4 her manager may not exceed fifteen dollars (\$15).

5 This section shall become operative July 1, 1998.

6 ~~SEC. 14.~~

7 *SEC. 15.* Section 7571 of the Business and Professions
8 Code is amended to read:

9 7571. The Department of Consumer Affairs shall
10 receive and account for all money derived from the
11 operation of this chapter and, at the end of each month,
12 shall report such money to the Controller and shall pay it
13 to the Treasurer, who shall keep the money in a separate
14 fund known as the Private Investigator Fund. Effective
15 July 1, 1998, the bureau shall report each month to the
16 Controller the amount and source of all revenue received
17 pursuant to this chapter and shall pay the entire amount
18 into the State Treasury for credit to the Private Security
19 and Investigative Services Fund. All revenue and
20 encumbrances to the Private Investigator Fund as of June
21 30, 1998, shall be transferred to the Private Security and
22 Investigative Services Fund. All money derived from the
23 operation of this chapter shall be expended in accordance
24 with law by the bureau for the purpose of carrying out the
25 provisions of this chapter when appropriated by the
26 Legislature.

27 ~~SEC. 15.~~

28 *SEC. 16.* Section 7582.13 of the Business and
29 Professions Code is amended to read:

30 7582.13. Upon the issuance of a license, a pocket card
31 of the size, design, and content determined by the
32 director shall be issued to each licensee, if an individual,
33 or if the licensee is a person other than an individual, to
34 its manager and to each of its officers and partners. The
35 pocket card is evidence that the licensee is licensed
36 pursuant to this chapter. The pocket card shall be
37 composed of a durable material and may incorporate
38 technologically advanced security features. The bureau
39 may charge a fee sufficient to reimburse the
40 department's costs for furnishing the pocket card. The fee

1 charged may not exceed the actual costs for system
2 development, maintenance, and processing necessary to
3 provide this service. The card shall contain the signature
4 of the licensee, signature of the chief, and a photograph
5 of the licensee, or bearer of the card, if the licensee is
6 other than an individual. The card shall clearly state that
7 the person is licensed as a private patrol operator or is the
8 manager or officer of the licensee. When a person to
9 whom a card is issued terminates his or her position,
10 office, or association with the licensee, the card shall be
11 surrendered to the licensee and within five days
12 thereafter shall be mailed or delivered by the licensee to
13 the bureau for cancellation. Every person, while engaged
14 in any activity for which registration is required, shall
15 display their valid pocket card as provided by regulation.

16 ~~SEC. 16.~~

17 *SEC. 17.* Section 7583.20 of the Business and
18 Professions Code is amended to read:

19 7583.20. (a) A registration issued under this chapter
20 expires two years following the date of issuance or on the
21 assigned renewal date. Every security guard issued a
22 registration under this chapter that expires on or after
23 January 1, 1997, and who is also issued or renews a firearms
24 qualification card on or after January 1, 1997, shall be
25 placed on a cyclical renewal so that the registration
26 expires on the expiration date of the firearms
27 qualification card. Notwithstanding any other provision
28 of law, the bureau is authorized to extend or shorten the
29 first term of registration following January 1, 1997, and to
30 prorate the required registration fee in order to
31 implement this cyclical renewal. At least 60 days prior to
32 the expiration, a registrant seeking to renew a guard
33 registration shall forward to the bureau a completed
34 registration renewal application and the renewal fee. The
35 renewal application shall be on a form prescribed by the
36 director, dated and signed by the applicant, certifying
37 under penalty of perjury that the information in the
38 application is true and correct.

1 (b) The licensee shall provide to any employee
2 information regarding procedures for renewal or
3 registration.

4 (c) In the event a registrant fails to request a renewal
5 of his or her registration as provided in this chapter, the
6 registration shall expire as indicated on the registration.
7 If the registration is renewed within 60 days after its
8 expiration, the registrant, as a condition precedent to
9 renewal, shall pay the renewal fee and the delinquency
10 fee.

11 (d) The delinquency fee is 50 percent of the renewal
12 fee in effect on the date of expiration, but not less than
13 twenty-five dollars (\$25).

14 (e) If the renewed registration card has not been
15 delivered to the registrant prior to the expiration of the
16 prior registration, the registrant may present evidence of
17 renewal to substantiate continued registration for a
18 period not to exceed 90 days after the date of expiration.

19 (f) A registration may not be renewed or reinstated
20 until all fines assessed pursuant to Section 7587.7 and not
21 resolved in accordance with the provisions of that section
22 have been paid.

23 ~~SEC. 17.~~

24 *SEC. 18.* Section 7583.22 of the Business and
25 Professions Code is amended to read:

26 7583.22. (a) A licensee, qualified manager of a
27 licensee, or security guard who, in the course of his or her
28 employment, may be required to carry a firearm shall,
29 prior to carrying a firearm, do both of the following:

30 (1) Complete a course of training in the carrying and
31 use of firearms.

32 (2) Receive a firearms qualification card.

33 (b) A licensee shall not permit an employee to carry
34 or use a loaded or unloaded firearm, whether or not it is
35 serviceable or operative, unless the employee possesses a
36 valid and current firearms qualification card issued by the
37 bureau.

38 (c) A pocket card issued by the bureau pursuant to
39 Section 7582.13 may also serve as a firearms qualification
40 card if so indicated on the face of the card.

(d) Paragraph (1) of subdivision (a) shall not apply to a peace officer as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, who has successfully completed a course of study in the use of firearms.

~~SEC. 18.~~

SEC. 19. Section 7583.32 of the Business and Professions Code is amended to read:

7583.32. (a) A firearms qualification card expires two years from the date of issuance, if not renewed. A person who wishes to renew a firearms qualification card shall file an application for renewal at least 60 days prior to the card's expiration. A person whose card has expired shall not carry a firearm until he or she has been issued a renewal card by the bureau.

(b) The bureau shall not renew a firearms qualification card unless all of the following conditions are satisfied:

(1) The cardholder has filed with the bureau a completed application for renewal of a firearms qualification card, on a form prescribed by the director, dated and signed by the applicant under penalty of perjury certifying that the information on the application is true and correct.

(2) The applicant has requalified on the range and has successfully passed a written examination based on course content as specified in the firearms training manual approved by the department and taught at a training facility approved by the bureau.

(3) The application is accompanied by a firearms requalification fee as prescribed in this chapter.

(4) The applicant has produced evidence to the firearm training facility, either upon receiving his or her original qualification card or upon filing for renewal of that card, that he or she is a citizen of the United States or has permanent legal alien status in the United States. Evidence of citizenship or permanent legal alien status is that deemed sufficient by the bureau to ensure compliance with federal laws prohibiting possession of firearms by persons unlawfully in the United States and

1 may include, but not be limited to, Department of Justice,
2 Immigration and Naturalization Service Form I-151 or
3 I-551, Alien Registration Receipt Card, naturalization
4 documents, or birth certificates evidencing lawful
5 residence or status in the United States.

6 (c) An expired firearms qualification card may not be
7 renewed. A person with an expired registration is
8 required to apply for a new firearms qualification in the
9 manner required of persons not previously registered. A
10 person whose card has expired shall not carry a firearm
11 until he or she has been issued a new firearms
12 qualification card by the bureau.

13 ~~SEC. 19.~~

14 *SEC. 20.* Section 7586 of the Business and Professions
15 Code is repealed.

16 ~~SEC. 20.~~

17 *SEC. 21.* Section 7586 is added to the Business and
18 Professions Code, to read:

19 7586. A private patrol operator license, branch office
20 certificate, and pocket card issued under this chapter
21 expires two years following the date of issuance or on the
22 assigned renewal date. Every private patrol operator
23 issued a license under this chapter that expires on or after
24 January 1, 1997, and who is also issued or renews a firearms
25 qualification card on or after January 1, 1997, shall be
26 placed on a cyclical renewal so that the license expires on
27 the expiration date of the firearms qualification card.
28 Notwithstanding any other provision of law, the bureau
29 is authorized to extend or shorten the first term of
30 licensure following January 1, 1997, and to prorate the
31 required license fee in order to implement this cyclical
32 renewal.

33 ~~SEC. 21.~~

34 *SEC. 22.* Section 7588 of the Business and Professions
35 Code, as amended by Section 2 of Chapter 734 of the
36 Statutes of 1996, is amended to read:

37 7588. The fees prescribed by this chapter are as
38 follows:

1 (a) The application and examination fee for an
2 original license for a private patrol operator is two
3 hundred dollars (\$200).

4 (b) The application fee for an original branch office
5 certificate for a private patrol operator is seventy-five
6 dollars (\$75).

7 (c) The fee for an original license for a private patrol
8 operator is five hundred dollars (\$500).

9 (d) The renewal fee is as follows:

10 (1) For a license as a private patrol operator, five
11 hundred dollars (\$500).

12 (2) For a combination license as a private investigator
13 under Chapter 11.3 (commencing with Section 7512) and
14 private patrol operator, AC or DC prefix, six hundred
15 dollars (\$600).

16 (3) For a branch office certificate for a combination
17 private investigator under Chapter 11.3 (commencing
18 with Section 7512) and private patrol operator, forty
19 dollars (\$40), and for a private patrol operator,
20 seventy-five dollars (\$75).

21 (e) The delinquency fee is 50 percent of the renewal
22 fee in effect on the date of expiration.

23 (f) A reinstatement fee is equal to the amount of the
24 renewal fee plus the regular delinquency fee.

25 (g) The fee for reexamination of an applicant or his or
26 her manager is twenty dollars (\$20).

27 (h) Registration fees pursuant to this chapter are as
28 follows:

29 (1) A registration fee for a security guard is
30 twenty-five dollars (\$25).

31 (2) A security guard registration renewal fee of
32 twenty-five dollars (\$25).

33 (i) Fees to carry out other provisions of this chapter
34 are as follows:

35 (1) A firearms qualification fee of eighty dollars (\$80).

36 (2) A firearms requalification fee of sixty dollars (\$60).

37 (3) An initial baton certification fee of fifty dollars
38 (\$50).

(4) An application fee and renewal fee for certification as a firearms training facility or a baton training facility of five hundred dollars (\$500).

(5) An application fee and renewal fee for certification as a firearms training instructor or a baton training instructor of two hundred fifty dollars (\$250).

(j) This section shall remain in effect only until July 1, 1998, and as of that date is repealed.

~~SEC. 22.~~

SEC. 23. Section 7588 of the Business and Professions Code, as amended by Section 3 of Chapter 734 of the Statutes of 1996, is repealed.

~~SEC. 23.~~

SEC. 24. Section 7588 is added to the Business and Professions Code, to read:

7588. The fees prescribed by this chapter are as follows:

(a) The application and examination fee for an original license for a private patrol operator may not exceed two hundred dollars (\$200).

(b) The application fee for an original branch office certificate for a private patrol operator may not exceed seventy-five dollars (\$75).

(c) The fee for an original license for a private patrol operator may not exceed five hundred dollars (\$500).

(d) The renewal fee is as follows:

(1) For a license as a private patrol operator, the fee may not exceed five hundred dollars (\$500).

(2) For a combination license as a private investigator under Chapter 11.3 (commencing with Section 7512) and private patrol operator, AC or DC prefix, the fee may not exceed six hundred dollars (\$600).

(3) For a branch office certificate for a combination private investigator under Chapter 11.3 (commencing with Section 7512) and private patrol operator, the fee may not exceed forty dollars (\$40), and for a private patrol operator, the fee may not exceed seventy-five dollars (\$75).

(e) The delinquency fee is 50 percent of the renewal fee in effect on the date of expiration.

(f) A reinstatement fee is equal to the amount of the renewal fee plus the regular delinquency fee.

(g) The fee for reexamination of an applicant or his or her manager may not exceed twenty dollars (\$20).

(h) Registration fees pursuant to this chapter are as follows:

(1) A registration fee for a security guard may not exceed twenty-five dollars (\$25).

(2) A security guard registration renewal fee may not exceed twenty-five dollars (\$25).

(i) Fees to carry out other provisions of this chapter are as follows:

(1) A firearms qualification fee may not exceed eighty dollars (\$80).

(2) A firearms requalification fee may not exceed sixty dollars (\$60).

(3) An initial baton certification fee may not exceed fifty dollars (\$50).

(4) An application fee and renewal fee for certification as a firearms training facility or a baton training facility may not exceed five hundred dollars (\$500).

(5) An application fee and renewal fee for certification as a firearms training instructor or a baton training instructor may not exceed two hundred fifty dollars (\$250).

This section shall become operative July 1, 1998.

~~SEC. 24.~~

SEC. 25. Section 7588.2 of the Business and Professions Code is amended to read:

7588.2. The Department of Consumer Affairs shall receive and account for all money derived from the operation of this chapter and, at the end of each month, shall report such money to the Controller and shall pay it to the Treasurer, who shall keep the money in a separate fund known as the Private Security Services Fund. Effective July 1, 1998, the bureau shall report each month to the Controller the amount and source of all revenue received pursuant to this chapter and shall pay the entire amount into the State Treasury for credit to the Private Security and Investigative Services Fund. All revenue

1 and encumbrances to the Private Security Services Fund
2 as of June 30, 1998, shall be transferred to the Private
3 Security and Investigative Services Fund. All money
4 derived from the operation of this chapter shall be
5 expended in accordance with law by the bureau for the
6 purpose of carrying out the provisions of this chapter
7 when appropriated by the Legislature.

8 ~~SEC. 25.~~

9 *SEC. 26.* Section 7593.11 of the Business and
10 Professions Code is amended to read:

11 7593.11. An alarm company operator license issued
12 under this chapter expires two years following the date of
13 issuance or on the assigned renewal date. Every alarm
14 company operator issued a license under this chapter that
15 expires on or after January 1, 1997, and who is also issued
16 or renews a firearms qualification card on or after January
17 1, 1997, shall be placed on a cyclical renewal so that the
18 license expires on the expiration date of the firearms
19 qualification card. Notwithstanding any other provision
20 of law, the bureau is authorized to extend or shorten the
21 first term of licensure following January 1, 1997, and to
22 prorate the required license fee in order to implement
23 this cyclical renewal. To renew an unexpired license or
24 certificate, the licensee shall apply for renewal on a form
25 prescribed by the director, pay all fines assessed pursuant
26 to Section 7591.9 and not resolved in accordance with the
27 provisions of that section, and pay the renewal fee. On
28 renewal, evidence of renewal of the license or certificate
29 that the director may prescribe shall be issued to the
30 licensee. The bureau shall send to each licensee a notice
31 of renewal at least 45 calendar days prior to the expiration
32 of each license.

33 ~~SEC. 26.~~

34 *SEC. 27.* Section 7596 of the Business and Professions
35 Code is amended to read:

36 7596. Every person licensed, registered, or
37 designated under this chapter, who in the course of his or
38 her employment carries a firearm, shall complete a
39 course of training in the carrying and use of firearms and
40 shall receive a firearms qualification card prior to the

1 carrying of such a firearm and shall complete a course in
2 the exercise of the powers to arrest. A registration card
3 issued by the bureau pursuant to Section 7598.14 may also
4 serve as a firearms qualification card if so indicated on the
5 face of the card.

6 ~~SEC. 27.~~

7 *SEC. 28.* Section 7596.7 of the Business and
8 Professions Code is amended to read:

9 7596.7. A firearms qualification card expires two years
10 from the date of issuance, if not renewed. A person who
11 wishes to renew a firearms qualification card shall file an
12 application for renewal at least 60 days prior to the card's
13 expiration. A person whose card has expired shall not
14 carry a firearm until he or she has been issued a renewal
15 card by the bureau.

16 The director shall not renew a firearms qualification
17 card unless all of the following conditions exist:

18 (a) The cardholder has filed with the bureau a
19 completed application for renewal of a firearms
20 qualification card, on a form prescribed by the director,
21 dated and signed by the applicant under penalty of
22 perjury certifying that the information on the application
23 is true and correct.

24 (b) The application is accompanied by a firearms
25 requalification fee as prescribed in this chapter.

26 (c) The applicant has requalified on the range and has
27 successfully passed a written examination based on course
28 content as specified in the firearms training manual
29 approved by the department and taught at a training
30 facility approved by the bureau.

31 (d) During calendar year 1985, the applicant has
32 produced evidence to the firearm training facility, either
33 upon receiving his or her original qualification card or
34 upon filing for renewal of that card, that he or she is a
35 citizen of the United States or has permanent legal alien
36 status in the United States. Such evidence of citizenship
37 or permanent legal alien status is that deemed sufficient
38 by the bureau to ensure compliance with federal laws
39 prohibiting possession of firearms by persons unlawfully
40 in the United States and may include, but not be limited

1 to, Department of Justice, Immigration and
2 Naturalization Service Form I-151 or I-551, Alien
3 Registration Receipt Card, naturalization documents, or
4 birth certificates evidencing lawful residence or status in
5 the United States.

6 (e) An expired firearms qualification card may not be
7 renewed. A person with an expired firearms qualification
8 card is required to apply for a new card in the manner
9 required of persons not previously registered. A person
10 whose card has expired shall not carry a firearm until he
11 or she has been issued a new firearms qualification card
12 by the bureau.

13 ~~SEC. 28.~~

14 SEC. 29. Section 7598.14 of the Business and
15 Professions Code is amended to read:

16 7598.14. Upon approval of an application for
17 registration, the chief shall cause to be issued to the
18 applicant, at his or her last known address, a registration
19 card in a form approved by the director. A photo
20 identification card shall be issued upon written request of
21 the applicant, submission of two recent photographs of
22 the applicant, and payment of the fee. The pocket card
23 shall be composed of a durable material and may
24 incorporate technologically advanced security features.
25 The bureau may charge a fee sufficient to reimburse the
26 department's costs for furnishing the license. The fee
27 charged may not exceed the actual costs for system
28 development, maintenance, and processing necessary to
29 provide this service. In the event of the loss or destruction
30 of the card, the cardholder may apply to the bureau for
31 a certified replacement of the card, stating the
32 circumstances surrounding the loss, and pay a ten dollar
33 (\$10) certification fee, whereupon the bureau shall issue
34 a certified replacement of the card. Every person, while
35 engaged in any activity for which registration is required,
36 shall display their valid pocket card as provided by
37 regulation.

38 ~~SEC. 29.~~

39 SEC. 30. Section 7598.17 of the Business and
40 Professions Code is amended to read:

1 7598.17. A registration issued under this chapter
2 expires two years following the date of issuance or on the
3 assigned renewal date. Every alarm agent issued a
4 registration under this chapter that expires on or after
5 January 1, 1997, and who is also issued or renews a firearms
6 qualification card on or after January 1, 1997, shall be
7 placed on a cyclical renewal so that the registration
8 expires on the expiration date of the firearms
9 qualification card. Notwithstanding any other provision
10 of law, the bureau is authorized to extend or shorten the
11 first term of registration following January 1, 1997, and to
12 prorate the required registration fee in order to
13 implement this cyclical renewal. At least 60 days prior to
14 the expiration of a registration, a registrant who desires
15 to renew his or her registration shall forward to the
16 bureau a copy of his or her current registration card,
17 along with the renewal fee as set forth in this chapter, to
18 the bureau for renewal of his or her registration.

19 The licensee shall provide to any employee information
20 regarding procedures for renewal of registration.

21 An expired registration may be renewed provided the
22 registrant files a renewal application on a form prescribed
23 by the director and the renewal and delinquency fees
24 prescribed by this chapter are returned to the bureau
25 within 60 days of the expiration date of the registration.
26 A firearms permit is not valid while the registration is
27 expired.

28 A registration not renewed within 60 days following its
29 expiration may not be renewed thereafter. The holder of
30 the expired registration may obtain a new registration
31 only on compliance with all of the provisions of this
32 chapter relating to the issuance of an original registration.
33 The delinquency fee is 50 percent of the renewal fee in
34 effect on the date of expiration, but not less than
35 twenty-five dollars (\$25).

36 The holder of an expired registration shall not engage
37 in the activity for which a registration is required until the
38 bureau issues a renewal registration.

39 If the renewed registration card has not been delivered
40 to the registrant, prior to the date of expiration of the

1 prior registration, the registrant may present evidence of
2 renewal to substantiate continued registration, for a
3 period not to exceed 90 days after the date of expiration.

4 A registration may not be renewed or reinstated until
5 all fines assessed pursuant to Section 7591.9 and not
6 resolved in accordance with the provisions of that section
7 have been paid.

8 A new registration shall be issued subject to payment
9 of all fines assessed pursuant to Section 7591.9 and not
10 resolved in accordance with the provisions of Section
11 7591.9 and payment of all applicable fees.

12 ~~SEC. 30.~~

13 *SEC. 31.* Section 7599.70 of the Business and
14 Professions Code, as amended by Section 5 of Chapter 734
15 of the Statutes of 1996, is amended to read:

16 7599.70. Effective January 1, 1995, the bureau shall
17 establish and assess fees and penalties for licensure and
18 registration as follows:

19 (a) A company license application fee of thirty-five
20 dollars (\$35).

21 (b) An original license fee for an alarm company
22 operator license of two hundred eighty dollars (\$280). A
23 renewal fee for an alarm company operator license of
24 three hundred thirty-five dollars (\$335).

25 (c) A qualified manager application and examination
26 fee of one hundred five dollars (\$105).

27 (d) A renewal fee for a qualified manager of one
28 hundred twenty dollars (\$120).

29 (e) An original license fee and renewal fee for a
30 branch office certificate of thirty-five dollars (\$35).

31 (f) Notwithstanding Section 163.51, the reinstatement
32 fee as required by Sections 7593.12 and 7598.17 is the
33 amount equal to the renewal fee plus a penalty of 50
34 percent thereof.

35 (g) A fee for reexamination of an applicant for a
36 qualified manager of fourteen dollars (\$14).

37 (h) An initial registration fee for an alarm agent of
38 seventeen dollars (\$17).

39 (i) A registration renewal fee for an alarm agent of
40 seven dollars (\$7).

(j) A firearms qualification fee of eighty dollars (\$80) and a firearms requalification fee of sixty dollars (\$60).

(k) The fingerprint processing fee is that amount charged the bureau by the Department of Justice.

(l) The processing fee required pursuant to Sections 7593.7 and 7598.14 is the amount equal to the expenses incurred to provide a photo identification card.

(m) The fee for a “Certificate of Licensure” of fifty dollars (\$50).

(n) The delinquency fee is 50 percent of the renewal fee in effect on the date of expiration, but not less than twenty-five dollars (\$25).

(o) This section shall become operative on January 1, 1995, and shall remain in effect only until July 1, 1998, and as of that date is repealed.

~~SEC. 31.~~

SEC. 32. Section 7599.70 of the Business and Professions Code, as amended by Section 6 of Chapter 734 of the Statutes of 1996, is repealed.

~~SEC. 32.~~

SEC. 33. Section 7599.70 is added to the Business and Professions Code, to read:

7599.70. Effective July 1, 1998, the bureau shall establish and assess fees and penalties for licensure and registration as follows:

(a) A company license application fee may not exceed thirty-five dollars (\$35).

(b) An original license fee for an alarm company operator license may not exceed two hundred eighty dollars (\$280). A renewal fee for an alarm company operator license may not exceed three hundred thirty-five dollars (\$335).

(c) A qualified manager application and examination fee may not exceed one hundred five dollars (\$105).

(d) A renewal fee for a qualified manager may not exceed one hundred twenty dollars (\$120).

(e) An original license fee and renewal fee for a branch office certificate may not exceed thirty-five dollars (\$35).

(f) Notwithstanding Section 163.51, the reinstatement fee as required by Sections 7593.12 and 7598.17 is the amount equal to the renewal fee plus a penalty of 50 percent thereof.

(g) A fee for reexamination of an applicant for a qualified manager may not exceed fourteen dollars (\$14).

(h) An initial registration fee for an alarm agent may not exceed seventeen dollars (\$17).

(i) A registration renewal fee for an alarm agent may not exceed seven dollars (\$7).

(j) A firearms qualification fee may not exceed eighty dollars (\$80) and a firearms requalification fee not to exceed sixty dollars (\$60).

(k) The fingerprint processing fee is that amount charged the bureau by the Department of Justice.

(l) The processing fee required pursuant to Sections 7593.7 and 7598.14 is the amount equal to the expenses incurred to provide a photo identification card.

(m) The fee for a "Certificate of Licensure" may not exceed fifty dollars (\$50).

(n) The delinquency fee is 50 percent of the renewal fee in effect on the date of expiration, but not less than twenty-five dollars (\$25).

This section shall become operative on July 1, 1998.

~~SEC. 33.~~

SEC. 34. Section 7599.72 of the Business and Professions Code is amended to read:

7599.72. The department shall receive and account for all money derived from the operation of this chapter and, at the end of each month, shall report that money to the Controller and shall pay it to the Treasurer, who shall keep the money in the Private Security Services Fund. Effective July 1, 1998, the bureau shall report each month to the Controller the amount and source of all revenue received pursuant to this chapter and shall pay the entire amount into the State Treasury for credit to the Private Security and Investigative Services Fund. All revenue and encumbrances to the Private Security Services Fund as of June 30, 1998, shall be transferred to the Private Security and Investigative Services Fund. All money

1 derived from the operations of this chapter shall be
2 expended by the bureau for the purpose of carrying out
3 the provisions of this chapter, when appropriated by the
4 Legislature.

5 ~~SEC. 34.~~

6 *SEC. 35.* Section 7599.75 of the Business and
7 Professions Code is repealed.

8 ~~SEC. 35.~~

9 *SEC. 36. Section 9810 of the Business and Professions*
10 *Code is amended to read:*

11 9810. There is in the Department of Consumer Affairs
12 a Bureau of Electronic and Appliance Repair, under the
13 supervision and control of the director. The director shall
14 administer and enforce the provisions of this chapter.

15 The Governor shall appoint, subject to confirmation by
16 the Senate, a chief of the bureau at a salary to be fixed and
17 determined by the director with the approval of the
18 Director of Finance. The chief shall serve under the
19 direction and supervision of the director and at the
20 pleasure of the Governor.

21 ~~Before a chief is appointed, the Governor shall give due~~
22 ~~consideration to any person or persons recommended by~~
23 ~~the board.~~

24 Every power granted to or duty imposed upon the
25 director under this chapter may be exercised or
26 performed in the name of the director by a deputy or
27 assistant director or by the chief, subject to such
28 conditions and limitations—~~as~~ *that* the director may
29 prescribe.

30 Whenever the laws of this state refer to the Bureau of
31 Electronic Repair Dealer Registration, the reference
32 shall be construed to be to the Bureau of Electronic and
33 Appliance Repair.

34 *SEC. 37. Section 9812.5 is added to the Business and*
35 *Professions Code, to read:*

36 9812.5. *The director shall gather evidence of*
37 *violations of this chapter and of any regulation established*
38 *hereunder by any service contractor, whether registered*
39 *or not, and by any employee, partner, officer, or member*
40 *of any service contractor. The director shall, on his or her*

1 own initiative, conduct spot check investigations of
2 service contractors throughout the state on a continuous
3 basis. This section shall remain in effect only until January
4 1, 2003, and as of that date is repealed, unless a later
5 enacted statute, that is enacted before January 1, 2003,
6 deletes or extends that date.

7 SEC. 38. Section 9814.5 is added to the Business and
8 Professions Code, to read:

9 9814.5. The director may establish and enforce
10 reasonable regulations for the conduct of service
11 contractors, and for the general enforcement of the
12 various provisions of this chapter in the protection of the
13 public. The director shall distribute to each registered
14 service contractor copies of this chapter and of the
15 regulations adopted under this chapter. Regulations shall
16 be adopted, amended, or repealed in accordance with
17 Chapter 3.5 (commencing with Section 11340) of Part 1
18 of Division 3 of Title 2 of the Government Code.

19 SEC. 39. Section 9830.5 of the Business and
20 Professions Code is amended to read:

21 9830.5. Each service contractor shall pay the fee
22 required by this chapter for each place of business
23 operated by him or her in this state and shall register with
24 the bureau upon forms prescribed by the director. The
25 forms shall contain sufficient information to identify the
26 service contractor, including name, address, retail seller's
27 permit number, if a permit is required under the Sales
28 and Use Tax Law (Part 1 (commencing with Section
29 6001) of Division 2 of the Revenue and Taxation Code),
30 a copy of the certificate of qualification as filed with the
31 Secretary of State if the service contractor is a foreign
32 corporation, and other identifying data to be prescribed
33 by the bureau. If the business is to be carried on under a
34 fictitious name, that fictitious name shall be stated. If the
35 service contractor is a partnership, identifying data shall
36 be stated for each partner. If the service contractor is a
37 private company that does not file an annual report on
38 Form 10-K with the Securities and Exchange
39 Commission, data shall be included for each of the officers
40 and directors of the company as well as for the individual

1 in charge of each place of the service contractor's business
2 in the State of California, subject to any regulations the
3 director may adopt. If the service contractor is a publicly
4 held corporation or a private company that files an annual
5 report on Form 10-K with the Securities and Exchange
6 Commission, it shall be sufficient for purposes of
7 providing data for each of the officers and directors of the
8 corporation or company to file with the director the most
9 recent annual report on Form 10-K that is filed with the
10 Securities and Exchange Commission.

11 A service contractor who does not operate a place of
12 business in this state but who sells, issues, or administers
13 service contracts in this state, shall hold a valid
14 registration issued by the bureau and shall pay the
15 registration fee required by this chapter as if he or she had
16 a place of business in this state.

17 This section shall remain in effect only until January 1,
18 ~~1998~~ 2003, and as of that date is repealed, unless a later
19 enacted statute, ~~which~~ *that* is enacted before January 1,
20 ~~1998~~ 2003, deletes or extends that date.

21 *SEC. 40. Section 9832 of the Business and Professions*
22 *Code is amended to read:*

23 9832. (a) Registrations issued under this chapter
24 shall expire no more than 12 months after the issue date.
25 The expiration date of registrations shall be set by the
26 director in a manner to best distribute renewal
27 procedures throughout the year.

28 (b) To renew an unexpired registration, the service
29 dealer shall, on or before the expiration date of the
30 registration, apply for renewal on a form prescribed by
31 the director, and pay the renewal fee prescribed by this
32 chapter.

33 (c) To renew an expired registration, the service
34 dealer shall apply for renewal on a form prescribed by the
35 director, pay the renewal fee in effect on the last regular
36 renewal date, and pay all accrued and unpaid
37 delinquency and renewal fees.

38 ~~(d) A registration that is delinquent more than two~~
39 ~~years may not be renewed. A service dealer with a~~
40 ~~delinquent registration is required to reapply for~~

1 ~~registration.— Renewal is effective on the date on which~~
2 ~~that the application is filed and, the renewal fee is paid.~~
3 ~~If there is a delinquency fee, renewal shall be effective~~
4 ~~upon payment of that fee, and all delinquency fees are~~
5 ~~paid.~~

6 (e) For purposes of implementing the distribution of
7 the renewal of registrations throughout the year, the
8 director may extend by not more than six months, the
9 date fixed by law for renewal of a registration, except that
10 in that event any renewal fee that may be involved shall
11 be prorated in a manner that no person shall be required
12 to pay a greater or lesser fee than would have been
13 required had the change in renewal dates not occurred.

14 *SEC. 41. Section 9832.5 of the Business and*
15 *Professions Code is amended to read:*

16 9832.5. (a) Registrations issued under this chapter
17 shall expire no more than 12 months after the issue date.
18 The expiration date of registrations shall be set by the
19 director in a manner to best distribute renewal
20 procedures throughout the year.

21 (b) To renew an unexpired registration, the service
22 contractor shall, on or before the expiration date of the
23 registration, apply for renewal on a form prescribed by
24 the director, and pay the renewal fee prescribed by this
25 chapter.

26 (c) To renew an expired registration, the service
27 contractor shall apply for renewal on a form prescribed
28 by the director, pay the renewal fee in effect on the last
29 regular renewal date, and pay all accrued and unpaid
30 delinquency and renewal fees.

31 ~~(d) A registration that is delinquent more than two~~
32 ~~years may not be renewed. A service contractor with a~~
33 ~~delinquent registration is required to reapply for~~
34 ~~registration.— Renewal is effective on the date on which~~
35 ~~that the application is filed and, the renewal fee is paid.~~
36 ~~If there is a delinquency fee, renewal shall be effective~~
37 ~~upon payment of that fee, and all delinquency fees are~~
38 ~~paid.~~

39 (e) For purposes of implementing the distribution of
40 the renewal of registrations throughout the year, the

1 director may extend, by not more than six months, the
2 date fixed by law for renewal of a registration, except that,
3 in that event, any renewal fee that may be involved shall
4 be prorated in such a manner that no person shall be
5 required to pay a greater or lesser fee than would have
6 been required had the change in renewal dates not
7 occurred.

8 (f) This section shall remain in effect only until
9 January 1, ~~1998~~ 2003, and as of that date is repealed, unless
10 a later enacted statute, which is enacted before January
11 1, ~~1998~~ 2003, deletes or extends that date.

12 *SEC. 42. Section 9847.5 of the Business and*
13 *Professions Code is amended to read:*

14 9847.5. Each service contractor shall maintain those
15 records as are required by the regulations adopted to
16 carry out the provisions of this chapter for a period of at
17 least three years. These records shall be open for
18 reasonable inspection by the director or other law
19 enforcement officials.

20 This section shall remain in effect only until January 1,
21 ~~1998~~ 2003, and as of that date is repealed, unless a later
22 enacted statute, ~~which~~ *that* is enacted before January 1,
23 ~~1998~~ 2003, deletes or extends that date.

24 *SEC. 43. Section 9849 of the Business and Professions*
25 *Code, as amended by Section 4 of Chapter 1265 of the*
26 *Statutes of 1993, is amended to read:*

27 9849. The expiration of a valid registration shall not
28 deprive the director of jurisdiction to proceed with any
29 investigation or hearing on a cease and desist order
30 against a service dealer or service contractor or to render
31 a decision invalidating a registration temporarily or
32 permanently.

33 This section shall remain in effect only until January 1,
34 ~~1998~~ 2003, and as of that date is repealed, unless a later
35 enacted statute, ~~which~~ *that* is enacted before January 1,
36 ~~1998~~ 2003, deletes or extends that date.

37 *SEC. 44. Section 9849 of the Business and Professions*
38 *Code, as added by Section 4.5 of Chapter 1265 of the*
39 *Statutes of 1993, is amended to read:*

1 9849. The expiration of a valid registration shall not
2 deprive the director of jurisdiction to proceed with any
3 investigation or hearing on a cease and desist order
4 against a service dealer or to render a decision
5 invalidating a registration temporarily or permanently.

6 This section shall become operative on January 1, 1998
7 2003.

8 *SEC. 45. Section 9851 of the Business and Professions*
9 *Code, as amended by Section 5 of Chapter 1265 of the*
10 *Statutes of 1993, is amended to read:*

11 9851. The superior court in and for the county
12 wherein any person carries on, or attempts to carry on,
13 business as a service dealer or service contractor in
14 violation of the provisions of this chapter, or any
15 regulation thereunder, shall, on application of the
16 director, issue an injunction or other appropriate order
17 restraining ~~such~~ that conduct.

18 The proceedings under this section shall be governed
19 by Chapter 3 (commencing with Section 525) of Title 7
20 of Part 2 of the Code of Civil Procedure, except that the
21 director shall not be required to allege facts necessary to
22 show or tending to show lack of an adequate remedy at
23 law or irreparable injury.

24 This section shall remain in effect only until January 1,
25 1998 2003, and as of that date is repealed, unless a later
26 enacted statute, ~~which~~ that is enacted before January 1,
27 1998 2003, deletes or extends that date.

28 *SEC. 46. Section 9851 of the Business and Professions*
29 *Code, as added by Section 5.5 of Chapter 1265 of the*
30 *Statutes of 1993, is amended to read:*

31 9851. The superior court in and for the county
32 wherein any person carries on, or attempts to carry on,
33 business as a service dealer in violation of the provisions
34 of this chapter, or any regulation thereunder, shall, on
35 application of the director, issue an injunction or other
36 appropriate order restraining ~~such~~ that conduct.

37 The proceedings under this section shall be governed
38 by Chapter 3 (commencing with Section 525) of Title 7
39 of Part 2 of the Code of Civil Procedure, except that the
40 director shall not be required to allege facts necessary to

1 show or tending to show lack of an adequate remedy at
2 law or irreparable injury.

3 This section shall become operative on January 1, ~~1998~~
4 2003.

5 *SEC. 47. Section 9853 of the Business and Professions*
6 *Code, as amended by Section 6 of Chapter 1265 of the*
7 *Statutes of 1993, is amended to read:*

8 9853. A plea or verdict of guilty or a conviction
9 following a plea of nolo contendere made to a charge
10 substantially related to the qualifications, functions, and
11 duties of a service dealer or service contractor is deemed
12 to be a conviction within the meaning of this article. The
13 director may order the registration temporarily or
14 permanently invalidated, or may decline to issue a
15 registration, when the time for appeal has elapsed, or the
16 judgment of conviction has been affirmed on appeal or
17 when an order granting probation is made suspending
18 the imposition of sentence, irrespective of a subsequent
19 order under ~~the provisions of~~ Section 1203.4 of the Penal
20 Code, allowing that person to withdraw his or her plea of
21 guilty and to enter a plea of not guilty, or setting aside the
22 verdict of guilty, or dismissing the accusation,
23 information, or indictment.

24 This section shall remain in effect only until January 1,
25 ~~1998~~ 2003, and as of that date is repealed, unless a later
26 enacted statute, ~~which~~ *that* is enacted before January 1,
27 ~~1998~~ 2003, deletes or extends that date.

28 *SEC. 48. Section 9853 of the Business and Professions*
29 *Code, as added by Section 6.6 of Chapter 1265 of the*
30 *Statutes of 1993, is amended to read:*

31 9853. A plea or verdict of guilty or a conviction
32 following a plea of nolo contendere made to a charge
33 substantially related to the qualifications, functions, and
34 duties of a service dealer is deemed to be a conviction
35 within the meaning of this article. The director may order
36 the registration temporarily or permanently invalidated,
37 or may decline to issue a registration, when the time for
38 appeal has elapsed, or the judgment of conviction has
39 been affirmed on appeal or when an order granting
40 probation is made suspending the imposition of sentence,

1 irrespective of a subsequent order under ~~the provisions~~
2 of Section 1203.4 of the Penal Code allowing that person
3 to withdraw his or her plea of guilty and to enter a plea
4 of not guilty, or setting aside the verdict of guilty, or
5 dismissing the accusation, information, or indictment.

6 This section shall become operative on January 1, 1998
7 2003.

8 *SEC. 49. Section 9854 of the Business and Professions*
9 *Code is repealed.*

10 ~~9854. The bureau shall design and approve a sign that~~
11 ~~shall be placed in all electronic and appliance repair~~
12 ~~locations operated by a service dealer in a place and~~
13 ~~manner conspicuous to the public. The sign shall give~~
14 ~~notice that inquiries concerning service may be made to~~
15 ~~the bureau and shall contain the telephone number of the~~
16 ~~bureau. The sign shall also indicate that the customer is~~
17 ~~entitled to a return of replaced parts and of the~~
18 ~~customer's right, pursuant to Section 1793.2 of the Civil~~
19 ~~Code, to have his or her equipment serviced or repaired~~
20 ~~within 30 days of receipt by the service dealer if the~~
21 ~~equipment is serviced or repaired pursuant to a~~
22 ~~manufacturer's express warranty.~~

23 *SEC. 50. Section 9855.2 of the Business and*
24 *Professions Code is amended to read:*

25 9855.2. (a) A service contract seller shall not issue,
26 sell, or offer for sale a service contract unless he or she
27 complies with one of the following requirements:

28 (1) Files with the director the most recent annual
29 report on Form 10-K required by the Securities and
30 Exchange Commission, reflecting a net worth greater
31 than the sum of the deferred revenues from service
32 contracts in force. If the service contractor is a foreign
33 corporation that files a comparable audited financial
34 statement with its home government *or with the United*
35 *States government*, the director may deem that
36 statement an acceptable substitute for Form 10-K.

37 (2) Obtains a service contract reimbursement
38 insurance policy.

39 (3) Sells service contracts ~~which~~ *that* are administered
40 by a service contract administrator who has obtained a

1 service contract reimbursement insurance policy
2 covering the seller's service contracts.

3 (4) Maintains and annually verifies to the director a
4 funded account held in escrow equal to a minimum of 25
5 percent of the deferred revenues from the service
6 contracts in force.

7 (b) A service contract administrator shall not
8 administer service contracts sold in this state, unless a
9 service contract reimbursement insurance policy
10 covering these service contracts has been obtained.

11 *SEC. 51. Section 9855.3 of the Business and*
12 *Professions Code is amended to read:*

13 9855.3. (a) The service contract form to be issued by
14 the service contractor shall be filed with the director by
15 the service contractor prior to its use.

16 (b) Every service contract administrator shall file with
17 its application for registration, and thereafter, with its
18 application for registration renewal, a service contract
19 reimbursement insurance policy.

20 (c) Every service contract seller shall file with his or
21 her application for registration, and thereafter with his or
22 her application for registration renewal, one of the
23 following:

24 (1) The most recent annual report on Form 10-K
25 required by the Securities and Exchange Commission,
26 reflecting a net worth greater than the sum of the
27 deferred revenues from service contracts in force. If the
28 service contractor is a foreign corporation that files a
29 comparable audited financial statement with its home
30 government *or with the United States government*, the
31 director may deem that statement an acceptable
32 substitute for Form 10-K.

33 (2) A service contract reimbursement insurance
34 policy.

35 (3) Evidence that his or her service contracts are
36 administered by a service contract administrator who has
37 obtained a service contract reimbursement insurance
38 policy covering the seller's service contracts.

(4) Evidence of a funded account held in escrow equal to a minimum of 25 percent of the deferred revenues from the service contracts in force.

SEC. 52. Section 9855.9 of the Business and Professions Code is amended to read:

9855.9. This article shall remain in effect only until January 1, ~~1998~~ 2003, and as of that date is repealed, unless a later enacted statute, ~~which~~ that is enacted before January 1, ~~1998~~ 2003, deletes or extends that date.

SEC. 53. Section 9860 of the Business and Professions Code, as amended by Section 8 of Chapter 1265 of the Statutes of 1993, is amended to read:

9860. The director shall establish procedures for accepting complaints from the public against any service dealer or service contractor.

This section shall remain in effect only until January 1, ~~1998~~ 2003, and as of that date is repealed, unless a later enacted statute, ~~which~~ that is enacted before January 1, ~~1998~~ 2003, deletes or extends that date.

SEC. 54. Section 9860 of the Business and Professions Code, as added by Section 8.5 of Chapter 1265 of the Statutes of 1993, is amended to read:

9860. The director shall establish procedures for accepting complaints from the public against any service dealer.

This section shall become operative on January 1, ~~1998~~ 2003.

SEC. 55. Section 9862.5 of the Business and Professions Code is amended to read:

9862.5. If a complaint indicates a possible violation of this chapter or of the regulations adopted pursuant to this chapter, the director may advise the service contractor of the contents of the complaint and, if the service contractor is so advised, the director shall make a summary investigation of the facts after the service dealer has had reasonable opportunity to reply thereto.

This section shall remain in effect only until January 1, ~~1998~~ 2003, and as of that date is repealed, unless a later enacted statute, ~~which~~ that is enacted before January 1, ~~1998~~ 2003, deletes or extends that date.

1 SEC. 56. *Section 9863 of the Business and Professions*
 2 *Code, as amended by Section 10 of Chapter 1265 of the*
 3 *Statutes of 1993, is amended to read:*

4 9863. If, upon summary investigation, it appears to
 5 the director probable that a violation of this chapter, or
 6 the regulations thereunder, has occurred, the director, in
 7 his or her discretion, may suggest measures that in the
 8 director's judgment would compensate the complainant
 9 for the damages he or she has suffered as a result of the
 10 alleged violation. If the service dealer or service
 11 contractor accepts the director's suggestions and
 12 performs accordingly, the director shall give that fact due
 13 consideration in any subsequent disciplinary proceeding.
 14 If the service dealer or service contractor declines to
 15 abide by the suggestions of the director, the director may
 16 investigate further and may institute disciplinary
 17 proceedings in accordance with the provisions of this
 18 chapter.

19 This section shall remain in effect only until January 1,
 20 ~~1998~~ 2003, and as of that date is repealed, unless a later
 21 enacted statute, ~~which~~ *that* is enacted before January 1,
 22 ~~1998~~ 2003, deletes or extends that date.

23 SEC. 57. *Section 9863 of the Business and Professions*
 24 *Code, as added by Section 10.5 of Chapter 1265 of the*
 25 *Statutes of 1993, is amended to read:*

26 9863. If, upon summary investigation, it appears to
 27 the director probable that a violation of this chapter, or
 28 the regulations thereunder, has occurred, the director, in
 29 his or her discretion, may suggest measures that in the
 30 director's judgment would compensate the complainant
 31 for the damages he or she has suffered as a result of the
 32 alleged violation. If the service dealer accepts the
 33 director's suggestions and performs accordingly, the
 34 director shall give that fact due consideration in any
 35 subsequent disciplinary proceeding. If the service dealer
 36 declines to abide by the suggestions of the director, the
 37 director may investigate further and may institute
 38 disciplinary proceedings in accordance with the
 39 provisions of this chapter.

1 This section shall become operative on January 1, ~~1998~~
2 2003.

3 *SEC. 58. Section 9873 of the Business and Professions*
4 *Code, as amended by Section 11 of Chapter 1265 of the*
5 *Statutes of 1993, is amended to read:*

6 9873. The fees prescribed by this chapter shall be set
7 by the director by regulation, according to the following
8 schedule:

9 (a) (1) The initial registration fee for an electronic
10 repair industry service dealer or for an appliance repair
11 industry service dealer is not more than one hundred
12 ~~thirty sixty-five~~ dollars ~~(\$130)~~ (\$165) for each place of
13 business in this state. The initial registration fee for a
14 service contractor is not more than ~~sixty seventy-five~~
15 dollars ~~(\$60)~~ (\$75) for each place of business in this state.

16 (2) The initial registration fee for a person who
17 engages in business as both an electronic repair industry
18 service dealer and an appliance repair industry service
19 dealer is not more than ~~two three~~ hundred ~~sixty~~
20 ~~twenty-five~~ dollars ~~(\$260)~~ (\$325) for each place of
21 business in this state. The initial registration fee for a
22 person who is a service contractor and engages in business
23 as either an electronic repair industry service dealer or an
24 appliance repair industry service dealer is not more than
25 ~~one two hundred-ninety forty~~ dollars ~~(\$190)~~ (\$240) for
26 each place of business in this state.

27 (3) The initial registration fee for a person who
28 engages in both the electronic repair industry and the
29 appliance repair industry as a service dealer and is a
30 service contractor is not more than ~~three four~~ hundred
31 ~~twenty~~ dollars ~~(\$320)~~ (\$400) for each place of business in
32 this state.

33 A service dealer or service contractor who does not
34 operate a place of business in this state, but engages in the
35 electronic repair industry, the appliance repair industry,
36 or sells, issues, or administers service contracts in this state
37 shall pay the registration fee specified herein as if he or
38 she had a place of business in this state.

39 (b) (1) The annual registration renewal fee for an
40 electronic repair industry service dealer or for an

1 appliance repair industry service dealer is not more than
2 one hundred ~~thirty~~ *sixty-five* dollars ~~(\$130)~~ *(\$165)* for
3 each place of business in this state, if renewed prior to its
4 expiration date. The annual registration renewal fee for
5 a service contractor is ~~sixty~~ *seventy-five* dollars ~~(\$60)~~
6 *(\$75)* for each place of business in this state, if renewed
7 prior to its expiration date.

8 (2) The annual renewal fee for a service dealer who
9 engages in the business as both an electronic repair
10 industry service dealer and an appliance repair industry
11 service dealer is not more than ~~two~~ *three* hundred
12 ~~thirty-five~~ dollars ~~(\$235)~~ *(\$300)* for each place of business
13 in this state.

14 (3) The annual renewal fee for a service dealer who
15 engages in the electronic repair industry and the
16 appliance repair industry and is a service contractor is not
17 more than ~~two~~ *three* hundred ~~ninety-five~~ *seventy-five*
18 dollars ~~(\$295)~~ *(\$375)* for each place of business in this
19 state.

20 A service dealer or service contractor who does not
21 operate a place of business in this state, but who engages
22 in the electronic repair industry, the appliance repair
23 industry, or sells or issues service contracts in this state
24 shall pay the registration fee specified herein as if he or
25 she had a place of business in this state.

26 (c) The delinquency fee is an amount equal to 50
27 percent of the renewal fee for ~~such~~ a license in effect on
28 the date of renewal of the license, except as otherwise
29 provided in Section 163.5.

30 This section shall remain in effect only until January 1,
31 ~~1998~~ 2003, and as of that date is repealed, unless a later
32 enacted statute, which is enacted before January 1, ~~1998~~
33 2003, deletes or extends that date.

34 *SEC. 59. Section 9873 of the Business and Professions*
35 *Code, as added by Section 11.5 of Chapter 1265 of the*
36 *Statutes of 1993, is amended to read:*

37 9873. The fees prescribed by this chapter shall be set
38 by the director by regulation, according to the following
39 schedule:

1 (a) The initial registration fee for an electronic repair
2 industry service dealer or for an appliance repair industry
3 service dealer is not more than one hundred ~~thirty~~
4 ~~sixty-five~~ dollars ~~(\$130)~~ (\$165) for each place of business
5 in this state. The initial registration fee for a person who
6 engages in business as both an electronic repair industry
7 service dealer and an appliance repair industry service
8 dealer is not more than ~~two three~~ hundred—~~sixty~~
9 ~~twenty-five~~ dollars ~~(\$260)~~ (\$325).

10 (b) The annual registration renewal fee for an
11 electronic repair industry service dealer or for an
12 appliance repair industry service dealer is not more than
13 one hundred ~~thirty~~ ~~sixty-five~~ dollars ~~(\$130)~~ \$165) for each
14 place of business in this state, if renewed prior to its
15 expiration date. The annual renewal fee for a service
16 dealer who engages in the business as both an electronic
17 repair industry service dealer and an appliance repair
18 industry service dealer is not more than ~~two three~~
19 hundred ~~thirty-five~~ dollars ~~(\$235)~~ (\$300).

20 (c) The delinquency fee is an amount equal to 50
21 percent of the renewal fee for ~~such~~ a license in effect on
22 the date of renewal of the license, except as otherwise
23 provided in Section 163.5.

24 This section shall become operative on January 1, ~~1998~~
25 2003.

26 *SEC. 60. Section 19008 of the Business and Professions*
27 *Code is amended to read:*

28 19008. “Secondhand” means any materials or articles
29 ~~which~~ *used in the construction of bedding or upholstered*
30 *furniture that* have been previously used for any purpose,
31 and shall include “sweepings” which are wastes
32 recovered from gins, furniture and bedding factories,
33 textile plants, or establishments using fibers or other
34 materials. Manufacturing processes shall not be
35 considered previous use, and new materials ~~which~~ *that*
36 are free from dirt or other contamination shall not be
37 classified as sweepings.

38 *SEC. 61. Section 19010 of the Business and Professions*
39 *Code is amended to read:*

19010. “Bedding renovator” means a person who rebuilds, repairs, makes over, re-covers, restores, renovates or renews bedding.

SEC. 62. Section 19080 of the Business and Professions Code is amended to read:

19080. A person shall not, at wholesale, retail, or otherwise, directly or indirectly, make, rebuild, repair, renovate, process, prepare, sell, offer for sale, display, or deliver any article of upholstered furniture or bedding, or any filling materials in prefabricated form or loose in bags or containers, unless ~~such~~ the article or material is plainly and indelibly labeled. This does not include furniture used exclusively for the purpose of physical fitness and exercise.

SEC. 63. Section 19123.4 of the Business and Professions Code is amended to read:

19123.4. Newly manufactured articles of bedding ~~which~~ that contain any secondhand filling material shall be sanitized before they are offered or exposed for sale, ~~except feather and down-filled articles. Feathers and down must be sanitized loose.~~

SEC. 64. Section 19208 of the Business and Professions Code is amended to read:

19208. The chief may cite any person subject to the provisions of this chapter to ~~a hearing~~ an office conference before the chief to show cause why he or she should not be subject to disciplinary action or prosecution for any act or omission in violation of this chapter.

SEC. 65. Section 1791 of the Civil Code, as amended by Section 1 of Chapter 461 of the Statutes of 1995, is amended to read:

1791. As used in this chapter:

(a) “Consumer goods” means any new product or part thereof that is used, bought, or leased for use primarily for personal, family, or household purposes, except for clothing and consumables. “Consumer goods” shall include new and used assistive devices sold at retail.

(b) “Buyer” or “retail buyer” means any individual who buys consumer goods from a person engaged in the business of manufacturing, distributing, or selling

1 consumer goods at retail. As used in this subdivision,
2 “person” means any individual, partnership, corporation,
3 limited liability company, association, or other legal
4 entity ~~which~~ *that* engages in any such business.

5 (c) “Clothing” means any wearing apparel, worn for
6 any purpose, including under and outer garments, shoes,
7 and accessories composed primarily of woven material,
8 natural or synthetic yarn, fiber, or leather or similar
9 fabric.

10 (d) “Consumables” means any product ~~which~~ *that* is
11 intended for consumption by individuals, or use by
12 individuals for purposes of personal care or in the
13 performance of services ordinarily rendered within the
14 household, and ~~which~~ *that* usually is consumed or
15 expended in the course of consumption or use.

16 (e) “Distributor” means any individual, partnership,
17 corporation, association, or other legal relationship ~~which~~
18 *that* stands between the manufacturer and the retail
19 seller in purchases, consignments, or contracts for sale of
20 consumer goods.

21 (f) “Independent repair or service facility” or
22 “independent service dealer” means any individual,
23 partnership, corporation, association, or other legal
24 entity, not an employee or subsidiary of a manufacturer
25 or distributor, ~~which~~ *that* engages in the business of
26 servicing and repairing consumer goods.

27 (g) “Lease” means any contract for the lease or
28 bailment for the use of consumer goods by an individual,
29 for a term exceeding four months, primarily for personal,
30 family, or household purposes, whether or not it is agreed
31 that the lessee bears the risk of the consumer goods’
32 depreciation.

33 (h) “Lessee” means an individual who leases
34 consumer goods under a lease.

35 (i) “Lessor” means a person who regularly leases
36 consumer goods under a lease.

37 (j) “Manufacturer” means any individual,
38 partnership, corporation, association, or other legal
39 relationship ~~which~~ *that* manufactures, assembles, or
40 produces consumer goods.

(k) “Place of business” means, for the purposes of any retail seller that sells consumer goods by catalog or mail order, the distribution point for these goods.

(l) “Retail seller,” “seller,” or “retailer” means any individual, partnership, corporation, association, or other legal relationship—~~which~~ *that* engages in the business of selling or leasing consumer goods to retail buyers.

(m) “Return to the retail seller” means, for the purposes of any retail seller that sells consumer goods by catalog or mail order, the retail seller’s place of business, as defined in subdivision (k).

(n) “Sale” means (1) the passing of title from the seller to the buyer for a price, or (2) a consignment for sale.

(o) “Service contract” means a contract in writing to perform, for an additional cost, over a fixed period of time or for a specified duration, services relating to the maintenance or repair of a consumer product, except that this term does not include a policy of automobile insurance, as defined in Section 116 of the Insurance Code.

(p) “Service contract administrator” or “administrator” means a person, other than a service contract seller or an insurer admitted to do business in this state, who performs or arranges, or has an affiliate who performs or arranges, the collection, maintenance, or disbursement of moneys to compensate any party for claims or repairs pursuant to a service contract, and who also performs or arranges, or has an affiliate who performs or arranges, any of the following activities on behalf of service contract sellers:

(1) Providing service contract sellers with service contract forms.

(2) Participating in the adjustment of claims arising from service contracts.

(3) Arranging on behalf of service contract sellers the insurance required by Section 9855.2. A service contract administrator shall not be an obligor on a service contract.

(q) “Service contract seller” or “seller” means a person who sells or offers to sell a service contract to a service contractholder.

1 (r) “Service contractor” means a service contract
2 administrator or a service contract seller.

3 (s) “Assistive device” means any instrument,
4 apparatus, or contrivance, including any component or
5 part thereof or accessory thereto, ~~which~~ *that* is used or
6 intended to be used, to assist an individual with a
7 disability in the mitigation or treatment of an injury or
8 disease or to assist or affect or replace the structure or any
9 function of the body of an individual with a disability,
10 except that this term does not include prescriptive lenses
11 and other ophthalmic goods unless they are sold or
12 dispensed to a blind person, as defined in Section 19153
13 of the Welfare and Institutions Code, and unless they are
14 intended to assist the limited vision of the person so
15 disabled.

16 (t) “Catalog or similar sale” means a sale in which
17 neither the seller nor any employee or agent of the seller
18 nor any person related to the seller nor any person with
19 a financial interest in the sale participates in the diagnosis
20 of the buyer’s condition or in the selection or fitting of the
21 device.

22 (u) “Home appliance” means any refrigerator,
23 freezer, range, microwave oven, washer, dryer,
24 dishwasher, garbage disposal, trash compactor, or room
25 air-conditioner normally used or sold for personal, family,
26 or household purposes.

27 (v) “Home electronic product” means any television,
28 radio, antenna rotator, audio or video recorder or
29 playback equipment, video camera, video game, video
30 monitor, computer equipment, telephone,
31 telecommunications equipment, electronic alarm
32 system, electronic appliance control system, or other kind
33 of electronic product, if it is normally used or sold for
34 personal, family, or household purposes. The term
35 includes any electronic accessory that is normally used or
36 sold with a home electronic product for one of those
37 purposes. The term excludes any single product with a
38 wholesale price to the retail seller of less than fifty dollars
39 (\$50).

1 This section shall remain in effect only until January 1,
2 ~~1998~~ 2003, and as of that date is repealed, unless a later
3 enacted statute, ~~which~~ *that* is enacted before January 1,
4 ~~1998~~ 2003, deletes or extends that date.

5 *SEC. 66. Section 1791 of the Civil Code, as amended*
6 *by Section 2 of Chapter 461 of the Statutes of 1995, is*
7 *amended to read:*

8 1791. As used in this chapter:

9 (a) “Consumer goods” means any new product or part
10 thereof that is used, bought, or leased for use primarily for
11 personal, family, or household purposes, except for
12 clothing and consumables. “Consumer goods” shall
13 include new and used assistive devices sold at retail.

14 (b) “Buyer” or “retail buyer” means any individual
15 who buys consumer goods from a person engaged in the
16 business of manufacturing, distributing, or selling
17 consumer goods at retail. As used in this subdivision,
18 “person” means any individual, partnership, corporation,
19 limited liability company, association, or other legal
20 entity ~~which~~ *that* engages in any of these businesses.

21 (c) “Clothing” means any wearing apparel, worn for
22 any purpose, including under and outer garments, shoes,
23 and accessories composed primarily of woven material,
24 natural or synthetic yarn, fiber, or leather or similar
25 fabric.

26 (d) “Consumables” means any product ~~which~~ *that* is
27 intended for consumption by individuals, or use by
28 individuals for purposes of personal care or in the
29 performance of services ordinarily rendered within the
30 household, and ~~which~~ *that* usually is consumed or
31 expended in the course of consumption or use.

32 (e) “Distributor” means any individual, partnership,
33 corporation, association, or other legal relationship ~~which~~
34 *that* stands between the manufacturer and the retail
35 seller in purchases, consignments, or contracts for sale of
36 consumer goods.

37 (f) “Independent repair or service facility” or
38 “independent service dealer” means any individual,
39 partnership, corporation, association, or other legal
40 entity, not an employee or subsidiary of a manufacturer

1 or distributor,—~~which~~ *that* engages in the business of
2 servicing and repairing consumer goods.

3 (g) “Lease” means any contract for the lease or
4 bailment for the use of consumer goods by an individual,
5 for a term exceeding four months, primarily for personal,
6 family, or household purposes, whether or not it is agreed
7 that the lessee bears the risk of the consumer goods’
8 depreciation.

9 (h) “Lessee” means an individual who leases
10 consumer goods under a lease.

11 (i) “Lessor” means a person who regularly leases
12 consumer goods under a lease.

13 (j) “Manufacturer” means any individual,
14 partnership, corporation, association, or other legal
15 relationship ~~which~~ *that* manufactures, assembles, or
16 produces consumer goods.

17 (k) “Place of business” means, for the purposes of any
18 retail seller that sells consumer goods by catalog or mail
19 order, the distribution point for consumer goods.

20 (l) “Retail seller,” “seller,” or “retailer” means any
21 individual, partnership, corporation, association, or other
22 legal relationship—~~which~~ *that* engages in the business of
23 selling or leasing consumer goods to retail buyers.

24 (m) “Return to the retail seller” means, for the
25 purposes of any retail seller that sells consumer goods by
26 catalog or mail order, the retail seller’s place of business,
27 as defined in subdivision (k).

28 (n) “Sale” means (1) the passing of title from the seller
29 to the buyer for a price, or (2) a consignment for sale.

30 (o) “Service contract” means a contract in writing to
31 perform, over a fixed period of time or for a specified
32 duration, services relating to the maintenance or repair
33 of a consumer product, except that this term does not
34 include a policy of automobile insurance, as defined in
35 Section 116 of the Insurance Code.

36 (p) “Assistive device” means any instrument,
37 apparatus, or contrivance, including any component or
38 part thereof or accessory thereto,—~~which~~ *that* is used or
39 intended to be used, to assist an individual with a
40 disability in the mitigation or treatment of an injury or



1 disease or to assist or affect or replace the structure or any
2 function of the body of an individual with a disability,
3 except that this term does not include prescriptive lenses
4 and other ophthalmic goods unless they are sold or
5 dispensed to a blind person, as defined in Section 19153
6 of the Welfare and Institutions Code and unless they are
7 intended to assist the limited vision of the person so
8 disabled.

9 (q) "Catalog or similar sale" means a sale in which
10 neither the seller nor any employee or agent of the seller
11 nor any person related to the seller nor any person with
12 a financial interest in the sale participates in the diagnosis
13 of the buyer's condition or in the selection or fitting of the
14 device.

15 (r) "Home appliance" means any refrigerator,
16 freezer, range, microwave oven, washer, dryer,
17 dishwasher, garbage disposal, trash compactor, or room
18 air-conditioner normally used or sold for personal, family,
19 or household purposes.

20 (s) "Home electronic product" means any television,
21 radio, antenna rotator, audio or video recorder or
22 playback equipment, video camera, video game, video
23 monitor, computer equipment, telephone,
24 telecommunications equipment, electronic alarm
25 system, electronic appliance control system, or other kind
26 of electronic product, if it is normally used or sold for
27 personal, family, or household purposes. The term
28 includes any electronic accessory that is normally used or
29 sold with a home electronic product for one of those
30 purposes. The term excludes any single product with a
31 wholesale price to the retail seller of less than fifty dollars
32 (\$50).

33 This section shall become operative on January 1, ~~1998~~
34 2003.

35 *SEC. 67. Section 1794.4 of the Civil Code, as amended*
36 *by Section 13 of Chapter 1265 of the Statutes of 1993, is*
37 *amended to read:*

38 1794.4. (a) Nothing in this chapter shall be construed
39 to prevent the sale of a service contract to the buyer in
40 addition to, or in lieu of, an express warranty if that

1 contract fully and conspicuously discloses in simple and
2 readily understood language the terms, conditions, and
3 exclusions of that contract, provided that nothing in this
4 section shall apply to a home protection contract issued
5 by a home protection company that is subject to Part 7
6 (commencing with Section 12740) of Division 2 of the
7 Insurance Code.

8 (b) Except as otherwise expressly provided in the
9 service contract, every service contract shall obligate the
10 service contract seller to provide to the buyer of the
11 product all of the services and functional parts that may
12 be necessary to maintain proper operation of the entire
13 product under normal operation and service for the
14 duration of the service contract and without additional
15 charge.

16 (c) The service contract shall contain all of the
17 following items of information:

18 (1) A clear description and identification of the
19 covered product.

20 (2) The point in time or event when the term of the
21 service contract commences, and its duration measured
22 by elapsed time or an objective measure of use.

23 (3) If the enforceability of the service contract is
24 limited to the original buyer or is limited to persons other
25 than every consumer owner of the covered product
26 during the term of the service contract, a description of
27 the limits on transfer or assignment of the service
28 contract.

29 (4) A statement of the general obligation of the service
30 contract seller in the same language set forth in
31 subdivision (b), with equally clear and conspicuous
32 statements of (A) any services, parts, characteristics,
33 components, properties, defects, malfunctions, causes,
34 conditions, repairs, or remedies that are excluded from
35 the scope of the service contract; (B) any other limits on
36 the application of the language in subdivision (b) such as
37 a limit on the total number of service calls; (C) any
38 additional services ~~which~~ *that* the service contract seller
39 will provide; (D) whether the obligation of the service
40 contract seller includes preventive maintenance and, if



1 so, the nature and frequency of the preventive
2 maintenance that the service contractor will provide; and
3 (E) whether the buyer has an obligation to provide
4 preventive maintenance or perform any other
5 obligations and, if so, the nature and frequency of the
6 preventive maintenance and of any other obligations,
7 and the consequences of any noncompliance.

8 (5) A step-by-step explanation of the procedure ~~which~~
9 *that* the buyer should follow in order to obtain
10 performance of any obligation under the service
11 contract, including (A) the full legal and business name
12 of the service contract seller; (B) the mailing address of
13 the service contract seller; (C) the persons or class of
14 persons that are authorized to perform service; (D) the
15 name or title and address of any administrator, agent,
16 employee, or department of the service contract seller
17 that is responsible for the performance of any obligations;
18 (E) the method of giving notice to the service contract
19 seller of the need for service; (F) whether in-home
20 service is provided or, if not, whether the costs of
21 transporting the product, for service or repairs will be
22 paid by the service contract seller; (G) if the product
23 must be transported to the service contract seller, either
24 the place where the product may be delivered for service
25 or repairs or a toll-free telephone number ~~which~~ *that* the
26 buyer may call to obtain that information; (H) all other
27 steps ~~which~~ *that* the buyer must take to obtain service;
28 and (I) all fees, charges, and other costs that the buyer
29 must pay to obtain service.

30 (6) An explanation of the steps that the service
31 contract seller will take to carry out its obligations under
32 the service contract.

33 (7) A description of any right to cancel the contract if
34 the buyer returns the product or the product is sold, lost,
35 stolen, or destroyed, or, if there is no right to cancel or the
36 right to cancel is limited, a statement of the fact.

37 (8) Information respecting the availability of any
38 informal dispute settlement process.

39 (9) A statement identifying the person who is
40 financially and legally obligated to perform the services

1 specified in the service contract, including the name and
2 address of that person.

3 Nothing in this subdivision shall preclude a service
4 contract seller from designating an administrator that a
5 service contractholder may initially contact for
6 performance of the obligations under the service
7 contract.

8 (d) Subdivisions (b) and (c) of this section are
9 applicable to service contracts on new or used home
10 appliances and home electronic products entered into on
11 or after July 1, 1989. They are applicable to service
12 contracts on all other new or used products entered into
13 on and after July 1, 1991.

14 (e) This section shall remain in effect only until
15 January 1, ~~1998~~ 2003, and as of that date is repealed, unless
16 a later enacted statute, ~~which~~ *that* is enacted before
17 January 1, ~~1998~~ 2003, deletes or extends that date.

18 *SEC. 68. Section 1794.4 of the Civil Code, as added by*
19 *Section 13.5 of chapter 1265 of the Statutes of 1993, is*
20 *amended to read:*

21 1794.4. (a) Nothing in this chapter shall be construed
22 to prevent the sale of a service contract to the buyer in
23 addition to or in lieu of an express warranty if that
24 contract fully and conspicuously discloses in simple and
25 readily understood language the terms, conditions, and
26 exclusions of that contract, provided that nothing in this
27 section shall apply to a home protection contract issued
28 by a home protection company that is subject to Part 7
29 (commencing with Section 12740) of Division 2 of the
30 Insurance Code.

31 (b) Except as otherwise expressly provided in the
32 service contract, every service contract shall obligate the
33 service contractor to provide to the buyer of the product
34 all of the services and functional parts that may be
35 necessary to maintain proper operation of the entire
36 product under normal operation and service for the
37 duration of the service contract and without additional
38 charge.

39 (c) The service contract shall contain all of the
40 following items of information:

1 (1) A clear description and identification of the
2 covered product.

3 (2) The point in time or event when the term of the
4 service contract commences, and its duration measured
5 by elapsed time or an objective measure of use.

6 (3) If the enforceability of the service contract is
7 limited to the original buyer or is limited to persons other
8 than every consumer owner of the covered product
9 during the term of the service contract, a description of
10 the limits on transfer or assignment of the service
11 contract.

12 (4) A statement of the general obligation of the service
13 contractor in the same language set forth in subdivision
14 (b), with equally clear and conspicuous statements of (A)
15 any services, parts, characteristics, components,
16 properties, defects, malfunctions, causes, conditions,
17 repairs, or remedies that are excluded from the scope of
18 the service contract; (B) any other limits on the
19 application of the language in subdivision (b) such as a
20 limit on the total number of service calls; (C) any
21 additional services ~~which~~ *that* the service contractor will
22 provide; (D) whether the obligation of the service
23 contractor includes preventive maintenance and, if so,
24 the nature and frequency of the preventive maintenance
25 that the service contractor will provide; and (E) whether
26 the buyer has an obligation to provide preventive
27 maintenance or perform any other obligations and, if so,
28 the nature and frequency of the preventive maintenance
29 and of any other obligations, and the consequences of any
30 noncompliance.

31 (5) A step-by-step explanation of the procedure ~~which~~
32 *that* the buyer should follow in order to obtain
33 performance of any obligation under the service contract
34 including (A) the full legal and business name of the
35 service contractor; (B) the mailing address of the service
36 contractor; (C) the persons or class of persons that are
37 authorized to perform service; (D) the name or title and
38 address of any agent, employee, or department of the
39 service contractor that is responsible for the performance
40 of any obligations; (E) the method of giving notice to the

1 service contractor of the need for service; (F) whether
2 in-home service is provided or, if not, whether the costs
3 of transporting the product, for service or repairs will be
4 paid by the service contractor; (G) if the product must be
5 transported to the service contractor, either the place
6 where the product may be delivered for service or repairs
7 or a toll-free telephone number ~~which~~ *that* the buyer may
8 call to obtain that information; (H) all other steps ~~which~~
9 *that* the buyer must take to obtain service; and (I) all fees,
10 charges, and other costs that the buyer must pay to obtain
11 service.

12 (6) An explanation of the steps that the service
13 contractor will take to carry out its obligations under the
14 service contract.

15 (7) A description of any right to cancel the contract if
16 the buyer returns the product or the product is sold, lost,
17 stolen, or destroyed, or, if there is no right to cancel or the
18 right to cancel is limited, a statement of the fact.

19 (8) Information respecting the availability of any
20 informal dispute settlement process.

21 (d) Subdivisions (b) and (c) of this section are
22 applicable to service contracts on new or used home
23 appliances and home electronic products entered into on
24 or after July 1, 1989. They are applicable to service
25 contracts on all other new or used products entered into
26 on and after July 1, 1991.

27 (e) This section shall become operative on January 1,
28 ~~1998~~ 2003.

29 *SEC. 69.* No reimbursement is required by this act
30 pursuant to Section 6 of Article XIII B of the California
31 Constitution because the only costs that may be incurred
32 by a local agency or school district will be incurred
33 because this act creates a new crime or infraction,
34 eliminates a crime or infraction, or changes the penalty
35 for a crime or infraction, within the meaning of Section
36 17556 of the Government Code, or changes the definition
37 of a crime within the meaning of Section 6 of Article
38 XIII B of the California Constitution.

39 Notwithstanding Section 17580 of the Government
40 Code, unless otherwise specified, the provisions of this act

1 shall become operative on the same date that the act
2 takes effect pursuant to the California Constitution.

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